

Kentucky Teachers' Retirement System - Medicare Eligible Health Plan (MEHP)

RE: KTRS RETIREE/SPOUSE TURNING AGE 65

DATE: 1/07/2014

Our records indicate that you will be turning 65 soon. As of the first day of the month that you reach your 65th birthday, or one month earlier if you were born on the first day of the month, you will no longer be eligible for the Kentucky Employees' Health Plan (KEHP) and you **must obtain Medicare** to continue medical and prescription coverage through KTRS. Contact Social Security three months before your birth month to enroll in Medicare. If your birthday is the first day of the month, your Medicare and MEHP will start on the first day of the **prior** month and you must return all forms to KTRS two months before your birth month. All others must return all forms by the end of the month before turning 65 and coverage will start on the first day of birth month. If you do not submit the required enrollment form and proof of Medicare enrollment, you will not be enrolled in the MEHP. If you do not wish to be enrolled in the KTRS coverage, complete the enclosed form to waive the MEHP coverage. The MEHP is a Humana Medicare Advantage PPO and an Express Scripts Medicare Part D prescription drug plan.

Complete the enclosed blue application providing your Medicare claim number on Page 2, attach a copy of your Medicare card (if available), and submit them to KTRS to be enrolled in the MEHP.

Upon receipt, KTRS will submit enrollment to Humana and Express Scripts who will then forward it to Medicare for approval. If proof of your Medicare Part B coverage (Parts A & B required for spouse enrollment) is not provided to KTRS before your effective date, you will not be enrolled in this MEHP coverage through KTRS. If you are the retiree and your coverage terminates, then your spouse is not eligible for coverage. Outside of the annual open enrollment, retirees will only be eligible to re-enroll within 30 days of a valid qualifying event.

NOTICE TO SPOUSES: If you are the spouse of a KTRS retiree and you waive this coverage, you will not be permitted to enroll in the future unless you experience a valid KTRS qualifying event. Spouses are not permitted to enroll during open enrollment unless the retiree has waived and is enrolling.

ENROLLING IN MEDICARE - Visit your local Social Security office to enroll in Medicare Parts A & B. You will have Part D through KTRS. No need to enroll in Part D at your local Social Security office. Your name, date of birth, and address at Social Security must match what you have on file at KTRS. Since Medicare will not accept a PO Box address you must supply KTRS with a permanent street address too.

Part A - Most people automatically receive premium free Part A coverage from Social Security because they or a spouse paid Medicare taxes while working. **Retirees** who do not automatically receive Part A at no cost, are not required to purchase Part A, and the KTRS plan will pay as Medicare would have paid on Part A expenses, excluding the MEHP deductibles and copayments. **Spouses** are required to have Part A to enroll in the KTRS MEHP. When you contact Social Security to enroll in Medicare, please make sure they check to see if you qualify for Part A free not only through your Social Security and/or Medicare tax payments but also through your spouse's. You could also qualify through an ex-spouse or a deceased spouse.

Part B - **Everyone** must enroll in Part B and pay a monthly premium to Social Security to enroll in the MEHP. The 2014 standard Part B monthly premium is \$104.90. In some cases, your Part B premium could be higher if you fail to enroll when you first become eligible or you fall into a high income category. See section on higher income persons. **If you fail to enroll in Part B, you will not be enrolled in the KTRS MEHP. If at any time while enrolled in the MEHP, your Medicare coverage lapses due to non-payment or any other reason, you will be terminated from the KTRS MEHP and you will be responsible for the actual cost of any claims.** Upon termination, you may not be eligible for future reenrollment.

Part D - Medicare Part D is prescription drug coverage available to anyone who is eligible for and enrolled in Medicare Part A and/or Part B. **Express Scripts Medicare™** (PDP) for Kentucky Teachers' Retirement System is the Medicare Part D prescription drug coverage through the MEHP. **If you enroll in another Medicare Part D plan outside of KTRS or you are a high income person and don't pay the Part D premium owed to Social Security, your MEHP will be terminated immediately.** Upon termination, you may not be eligible for future reenrollment. Just like Medicare Part B, Medicare Part D requires monthly income adjusted premium payments to Social Security. See section on higher income persons and contact Social Security to determine your Part D income adjusted premium (if any).

HIGHER INCOME PERSONS - Medicare law requires higher income persons to pay higher premiums to Social Security for Medicare Part B and Medicare Part D. This generally affects individuals with incomes higher than \$85,000 and couples with incomes higher than \$170,000, based on tax return information provided to Social Security by the IRS from 2 years ago.

The MEHP **medical** plan is a Humana Medicare Advantage (MA) plan. This plan allows the same in and out-of-network cost-share; therefore you can see any licensed provider who accepts Medicare patients and Medicare assignment and agrees to bill Humana directly. If your providers are unfamiliar with this Medicare Advantage plan, have them call Humana Provider Relations at 1-800-626-2741. Show providers your **new** Humana MA ID card and have them file claims directly with Humana instead of Medicare. You should know that if the Humana MA plan ever denies a claim or a service, you have the right to appeal and ask for a review of the denied claim or service. If Humana's decision isn't made in your favor, an independent organization that works for Medicare will automatically review your appeal. **Please note: If you enroll in another MA Plan outside of KTRS, including Kentucky Retirement Systems (KRS), your Humana and Express Scripts coverage will be terminated immediately. If you are the spouse of a KTRS retiree, you will not be eligible for future reenrollment unless you experience a valid KTRS qualifying event.**

The MEHP **prescription drug** plan is an Express Scripts Medicare Part D prescription drug plan and consists of a retail drug program and a home delivery program. The retail drug program includes a \$150 annual deductible and is designed for initial and short-term prescriptions to be obtained at a retail network pharmacy. The home delivery program does not require a deductible, is for maintenance prescriptions which are taken on a long-term basis, and allows up to a 90 day supply of medication to be obtained through the Express Scripts home delivery pharmacy service. If you are ever denied coverage for your prescriptions, Express Scripts will explain the decision to you and you have the right to appeal and ask for a review of the denied claims. If you need specific information regarding a prescription cost and/or restrictions prior to your effective date of coverage, you can call the KY Rx Coalition at 1-855-218-5979. **To avoid a possible lapse in your medication, obtain a refill through your current plan on the last day of the month prior to the effective date of the MEHP.**

BENEFIT BOOKLETS AND ID CARDS – The benefit summaries are enclosed. After your coverage begins you will receive an Evidence of Coverage from Humana and Express Scripts. If your MEHP application (enclosed blue form) is submitted to KTRS in a timely manner and Medicare approves your enrollment, you should receive ID cards before your coverage is effective. On the effective date of coverage, if Humana and Express Scripts have processed your enrollment, you can access a letter of medical coverage or print a temporary ID card by registering at www.humana.com and www.Express-Scripts.com.

Listed below is the monthly cost of the 2014 MEHP-You must also continue to pay your Medicare Part B premium and any additional Part B and D income adjusted premiums billed by Social Security. Reciprocity retirees with service in KTRS and KRS should contact KTRS to determine their rates.

Years of Service	KTRS Entry Date Before 07/01/02	KTRS Entry Date on or After 07/01/02	KTRS Entry Date on or After 07/01/08	Medicare Eligible Spouses/Children Pay Full Premium Monthly Rate of: \$290.00
5-9.99	\$217.50	\$261.00	Not Eligible	
10-14.99	\$145.00	\$217.50	Not Eligible	
15-19.99	\$72.50	\$159.50	\$159.50	
20-24.99	\$0.00	\$101.50	\$101.50	
25-25.99	\$0.00	\$29.00	\$29.00	
26-26.99	\$0.00	\$14.50	\$14.50	
27 or more	\$0.00	\$0.00	\$0.00	

You can obtain additional information about enrolling in Medicare by contacting Social Security at 1-800-772-1213, Medicare at 1-800-633-4227, or www.medicare.gov on the web. If you have any other questions, please contact KTRS at 1-800-618-1687. You may fax your completed paperwork to 502-573-0199.

If you are currently covered by a FAMILY, COUPLE, OR PARENT PLUS PLAN, you will have an additional letter in this packet to read and complete other forms if required.

Kentucky Teachers' Retirement System (KTRS)

RE: KTRS INSURANCE PARTICIPANTS - TURNING AGE 65 INFORMATION

Our records indicate that you are currently covered under a Family, Couple, or Parent Plus plan. Please review the different scenarios listed below to ensure that you have completed all the appropriate forms (if any). If you currently have a Parent Plus plan, see 1 below. If you currently have a Family or Couple plan, see 2a & 2b below. If you are currently cross-referenced, see 3 – 6 below.

1. If you are currently covering dependents under a **PARENT PLUS PLAN**, you will receive a separate COBRA packet for them from Ceridian a month before the termination date. If your child is disabled and has Medicare Parts A & B, you can enroll them in the KTRS MEHP by obtaining an enrollment form from KTRS and paying the monthly premium. **You may disregard the remaining information below because it does not pertain to your situation.**
2. If you are currently covered by a **FAMILY OR COUPLE** plan, please review the information below in 2a and 2b that pertains to your situation:
 - a. **If you are the KTRS retiree turning age 65**, your under age 65 spouse must complete and return the enclosed Kentucky Employees' Health Plan insurance application the month before you turn age 65 (2 months before if your birthday is on the first of the month). **NON-COMPLETION OF THIS APPLICATION WILL RESULT IN A LOSS OF COVERAGE.**

Because there is no spouse subsidy, the following (full) monthly premiums will apply to spouses:

SPOUSE RATES	SPOUSE SINGLE	SPOUSE PARENT PLUS
LivingWell CDHP	\$676.32	\$932.20
LivingWell PPO	\$704.98	\$1,001.64
Standard PPO	\$661.98	\$940.40
Standard CDHP	\$647.20	\$919.36

- b. **If you are the spouse turning age 65**, the retiree coverage will automatically be changed to a Single or Parent Plus plan and an application will not be necessary. Retirees should utilize the enclosed Calculation Chart to determine the monthly cost of Single or Parent Plus coverage.
3. If you are **CROSS-REFERENCED** with a KTRS retiree, your spouse's coverage will automatically be changed to Parent Plus and a KEHP application will not be necessary. If you wish to change to Single coverage, you must complete a Dependent Drop form found at www.ktrs.ky.gov. Retirees (under age 65) should utilize the enclosed Calculation Chart to determine the monthly Parent Plus cost. **You may disregard the remaining information below because it does not pertain to your situation.**
4. If you are **CROSS-REFERENCED** and your spouse is under age 65 and not a KTRS or Kentucky Retirement Systems (KRS) retiree, your spouse must contact his/her active insurance coordinator to complete a new application to enroll in a Parent Plus or Single plan. **You may disregard the remaining information below because it does not pertain to your situation.**
5. If you are **CROSS-REFERENCED** and your spouse is under age 65 and retired through KRS, your spouse must contact KRS to complete the appropriate application to enroll in a Parent Plus or Single plan. **You may disregard the remaining information below because it does not pertain to your situation.**
6. If you are **CROSS-REFERENCED** and you are retired from KRS and turning age 65, you will need to contact them at 1-800-928-4646 for the appropriate application to enroll in a Medicare plan through KRS. The KTRS retiree's coverage will automatically be changed to a Parent Plus plan and an application will not be necessary. If you wish to change to Single coverage, you must complete a Dependent Drop form found at www.ktrs.ky.gov. KTRS retirees (under age 65) should utilize the enclosed Calculation Chart to determine the monthly Parent Plus cost. **You may disregard the remaining information below because it does not pertain to your situation.**

NOTE: The insurance premium will automatically be deducted each month from the retirement annuity unless the cost exceeds the annuity. In this case, you will have the option to have this amount drafted from either a checking or savings account.